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AIR TRANSPORT SERVICES

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Agreement Between the
UNITED STATES OF AMERICA
and SINGAPORE (Singapore)

Amending the Agreement of
March 31, 1978,

Effected by Exchange of Notes
Signed at Singapore September 14, 1979,

with

Memorandum of Understanding
Signed at Singapore June 2, 1979 -

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SINGAPORE

Air Transport Services

Agreement amending the agreement of March 31, 1978.
Effected by exchange of notes
Signed at Singapore September 14, 1979;
Entered into force September 14, 1979.
With memorandum of understanding
Signed at Singapore June 2, 1979.

The American Ambassador to the Singaporan Minister for Communications

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 617 Singapore, September 14, 1979.

Excellency:

I have the honor to refer to the negotiations held in Singapore from May 28 to June 2, 1979 between representatives of the Government of the United States of America and the Government of the Republic of Singapore concerning air transport relations between the two countries, and to propose, on behalf of my Government, that the Memorandum of Understanding of June 2, 1979, as subsequently amended to include, inter alia, a new paragraph 2(g) referring to the replacement of Article 9 of the U.S.-Singapore Air Transport Agreement of March 31, 1978 by a new Article 9, identified as Attachment 8 to the Memorandum (a copy of which is attached), be accepted as an amendment of the U.S.-Singapore Air Transport Agreement of March 31, 1978.[1]

If your Government agrees to the foregoing proposal, I have the honor to propose that this Note and your reply to that effect constitute an agreement between the two Governments which shall enter into effect on the date of your reply.

His Excellency
Ong Teng Cheong,
Minister for Communications,
Singapore,
REPUBLIC OF SINGAPORE.

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[1] TIAS 9001; 29 UST.

Accept, Excellency, the renewed assurances of my highest consideration.

Richard F. Kneip [1]

Enclosure:

Memorandum of Understanding
of June 2, 1979, as Amended

[1] Richard F. Kneip.

MEMORANDUM OF UNDERSTANDING

1. Delegations representing the Governments of the Republic of Singapore and the United States of America met in Singapore from May 28 to June 2, 1979 to amend the Air Transport Agreement of March 31, 1978. Delegations are listed in Attachments 1 and 2.

2. Both Delegations agreed to recommend to their Governments to amend the Air Transport Agreement as follows:

A. Article 1 (Definitions).

A. "Agreement" shall mean this Agreement, the Annexes attached thereto, and any amendments thereto.

C. "Designated airline" means an airline designated and authorized in accordance with Article 3 of this Agreement.

E. "Air service" and "air transportation" mean any operation performed by aircraft for the public carriage of traffic in passengers (and their baggage), cargo and mail, separately or in combination, for remuneration or hire.

B. Article 3 (Designation and Authorization) - See revised text in Attachment 3.

C. Article 10 (Pricing) - See revised text in Attachment 4.

D. Article 11D (Ground Services) - See revised text in Attachment 5.

E. Annex (Routes) - See new text of Annex I, Attachment 6.

F. Exchange of Notes (Charters) - See new text of Annex II, Attachment 7.

G. Article 9 (Fair Competition) - See new text in Attachment 8.

3. Ground Handling:

In further amplification of Article 11D (as amended), the following understanding has been reached in regard to Changi and future international airports.

With respect to passenger check-in and maintenance (including engineering, cabin cleaning, services and repairs) designated airlines will be permitted, in keeping with current Singapore policy, to offer these services to any airline. Any contemplated changes in Singapore's policy affecting U.S. airlines will not be implemented without prior consultation. With respect to ramp (apron) service for cargo, U.S. airlines may lease equipment and operators thereof to or from other designated U.S. airlines or lease equipment to or from the authorized contractors. For the purposes of Articles 11D, ramp (apron) services for cargo shall apply to all cargo carried on:

1. All-cargo aircraft;

2. Combination aircraft for carriage of cargo in belly or upper deck or both.

4. Both Delegations reaffirm their Governments' traditional opposition to anti-competitive aviation practices such as monopolies, duopolies and other comparable abuses.

5. The provisions of this Memorandum of Understanding shall take effect upon an exchange of Diplomatic Notes.

[1]

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[1] O. T. Cheong.

Attachment 1

SINGAPORE DELEGATION

Chairman: Sim Kee Boon, Permanent Secretary, Ministry of Communications

Members: Pek Hock Thiam, Director, Air Transport Division, Ministry of Communications

Cherry Tan, Assistant Director, Air Transport Division, Ministry of Communications

Lim Chin Beng, Managing Director, Singapore Airlines

Stanley Kuppusamy, International Relations Manager, Singapore Airlines

Tony Syn Chung Wah, Assistant Director of Marketing, Singapore Airlines

Seow Pau Chern, International Relations Officer, Singapore Airlines

Lim Hock San, Deputy Director, Department of Civil Aviation

Khong Teck Kim, Operations Officer, Department of Civil Aviation

Emily Nathan, Legal Officer, Department of Civil Aviation

E. C. Foenander, Deputy Senior State Counsel, Attorney General's Chambers

Attachment 2

UNITED STATES DELEGATION

Chairman: Robert A. Brown, Acting Director, Office of Aviation, Department of State

Members: James S. Horneman, Chief, Pacific and Far East, Civil Aeronautics Board

Edward P. Oppler, Deputy Director, Office of Air Transportation, Department of Transportation

Jeffrey N. Shane, Assistant General Counsel for International Law, Department of Transportation

John F. Hoog, Second Secretary, Embassy of the U.S.A.

Technical Advisor: Lisa Ray, Assistant Director, International Affairs, Air Transport Association

ARTICLE 3

(1) Each Party shall have the right to designate as many airlines as it wishes to conduct international air transportation in accordance with this Agreement and to withdraw or alter such designations. Such designations shall be transmitted to the other Party in writing through diplomatic channels, and shall identify whether the airline is authorized to conduct the type of air transportation specified in Annex I or in Annex II or in both.

(2) On receipt of such a designation and of applications in the form and manner prescribed from the designated airline for operating authorizations and technical permissions, the other Party shall grant appropriate authorizations and permissions with minimum procedural delay, provided:

(a) substantial ownership and effective control of that airline are vested in the Party designating the airline, nationals of that Party, or both.

(b) the designated airline is qualified to meet the conditions prescribed under the

laws and regulations normally applied to the operation of international air transportation by the Party considering the application or applications; and

(c) the Party designating the airline is maintaining and administering the standards set forth in Article 6.

ARTICLE 10

(1) Each Party shall allow prices for air transportation to be established by each designated airline based upon commercial considerations in the marketplace. Intervention by the Parties shall be limited to:

(a) prevention of predatory or discriminatory prices or practices;

(b) protection of consumers from prices that are unduly high or restrictive because of the abuse of a dominant position; and

(c) protection of airlines from prices that are artificially low because of direct or indirect governmental subsidy or support.

(2) Each Party may require notification to or filing with its aeronautical authorities of prices proposed to be charged to or from its territory by airlines of the other Party. Notification or filing by the airlines of both Parties may be required no more than 60 days before the proposed date of effectiveness. In individual cases, notification or filing may be permitted on shorter notice than normally required. Neither Party shall require the notification or filing by airlines of the other Party or by airlines of third countries of prices charged by

charterers to the public for traffic originating in the territory of that other Party.

(3) Neither Party shall take unilateral action to prevent the inauguration or continuation of a price proposed to be charged or charged by (a) an airline of either Party or by an airline of a third country for international air transportation between the territories of the Parties, or (b) an airline of one Party for international air transportation between the territory of the other Party and a third country, including in both cases transportation on an interline or intra-line basis. If either Party believes that any such price is inconsistent with the considerations set forth in paragraph (1) of this Article, it shall request consultations and notify the other Party of the reasons for its dissatisfaction as soon as possible. These consultations shall be held not later than 30 days after receipt of the request, and the Parties shall cooperate in securing information necessary for reasoned resolution of the issue. If the Parties reach agreement with respect to a price for which a notice of dissatisfaction has been given, each Party shall use its best efforts to put that agreement into effect. Without mutual agreement, that price shall go into or continue in effect.

(4) Notwithstanding paragraph (3) of this Article, each Party shall allow (a) any airline of either Party or any airline of a third country to meet a lower or more competitive price proposed or charged by any other airline or charterer for international air transportation between the territories of the Parties, and (b) any airline of one Party to meet a lower or more competitive price proposed or charged by any other airline or charterer for international air transportation between the territory of the other Party and a third country. As used herein, the term "meet" means the right to establish on a timely basis, using such expedited procedures as may be necessary, an identical or similar price on a direct, interline or intra-line basis, notwithstanding differences in conditions relating to routing, round-trip requirements, connections, type of service or aircraft type.

Attachment 5

ARTICLE 11

D. The designated airlines of each Party shall be permitted flexibility in ground handling in the country of the other Party. In accordance with this principle, each designated airline will be permitted to perform or to choose an authorized contractor at the option of the airline to perform the functions of checking in passengers, maintenance (engineering, cabin cleaning, services and repairs), ramp (apron) services for cargo (for Changi and future international airports), flight planning, operations and dispatch, selection of fuel vendor, freight receipt and delivery, packing and unpacking, storage, customs clearances, documentation preparation and, if feasible, food services. Each designated airline shall be permitted to rent from an authorized lessor the space required for the conduct of the above-named services. Details pertaining to these services are contained in paragraph 3 of the Memorandum of Understanding dated June 2, 1979. With respect to the above-named ground services, there will be no discrimination as among airlines operating international flights, and prices charged should be reasonable and related to the cost of providing the service.

Attachment 6

ANNEX I
Scheduled Air Service

Section 1

Airlines of one Party whose designation identifies this Annex shall, in accordance with the terms of their designation, be entitled to perform international air transportation (1) between points on the following routes, and (2) between points on such routes and points in third countries through points in the territory of the Party which has designated the airlines.

A. Routes for the airline or airlines designated by the Government of the United States:

From the United States via intermediate points to Singapore and beyond.

B. Routes for the airline or airlines designated by the Government of the Republic of Singapore:

From Singapore via intermediate points[1][2] across the Pacific to Guam, Honolulu, San Francisco and three additional points in the United States[3] to be selected by the Republic of Singapore with the option to change the selection of points by giving sixty days' prior notice, and beyond to points in Canada.

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(1) Service to Japan may begin by July 1, 1981 (or earlier), if, in the judgment of the United States Government, the fuel and airport capacity problems at the airport to be served by the Singapore designated airline or airlines have been resolved satisfactorily.

(2) Service to the Philippines may not begin prior to July 1, 1982.

(3) Consultations after July 1, 1981 to consider the possibility of additional points in the United States for Singapore.

[Footnotes in the original.]

Section 2

Each designated airline may, on any or all flights and at its option, operate flights in either or both directions, serve points on the routes in any order, and omit stops at any point or points outside the territory of the Party which has designated that airline, without loss of any rights to carry traffic otherwise permissible under this Agreement.

Section 3

On any international segment or segments of the routes described in Section 1 above, a designated airline may perform international air transportation without any limitation as to change, at any point on the route, in type or number of aircraft operated, provided that in the outbound direction the transportation beyond such point is a continuation of the transportation from the territory of the Party which has designated the airline and, in the inbound direction, the transportation to the territory of the Party which has designated the airline is a continuation of the transportation beyond such point.

Nothing in this Section shall be construed to permit the airline or airlines of either Party to establish operations in the territory of the other Party which do not originate or terminate in the homeland of the airline performing these operations.

Attachment 7

ANNEX II
Charter Air Service

Section 1

Airlines of one Party whose designation identifies this Annex shall, in accordance with the terms of their designation, be entitled to perform international air transportation to, from and through any point or points in the territory of the other Party, either directly or with stopovers en route, for one-way or round-trip carriage of the following traffic:

(a) any traffic to or from a point or points in the territory of the Party which has designated the airline;

(b) any traffic to or from a point or points beyond the territory of the Party which has designated the airline and carried between the territory of that Party and such beyond point or points (i) in air transportation other than under this Annex; or (ii) in air transportation under this Annex with the traffic making a stopover of at least two consecutive nights in the territory of that Party; unless applicable regulations promulgated by the Aeronautical Authorities of the other Party are more liberal.

Section 2

With regard to traffic originating in the territory of either Party, each designated airline performing air transportation under this Annex shall comply with such laws, regulations and rules of the Party in whose territory the traffic originates, whether on a one-way or round-trip basis, as that Party now or hereafter specifies shall be applicable to such transportation. When such regulations or rules of one Party apply more restrictive terms, conditions or limitations to one or more of its airlines, the designated airlines of the other Party shall be subject to the least restrictive of such terms, conditions or limitations. Moreover, if the Aeronautical Authorities of either Party promulgate regulations or rules which apply different conditions to different countries, each Party shall apply the least restrictive regulation or rule to the designated airlines of the other Party.

Section 3

Neither Party shall require a designated airline of the other Party, in respect of the carriage of traffic from the territory of that other Party on a one-way or round-trip basis, to submit more than a declaration of conformity with the laws, regulations and rules of that other Party referred to under Section 2 of this Annex or of a waiver of these regulations or rules granted by the Aeronautical Authorities of that other Party.

Attachment 8

ARTICLE 9

(1) Each Party shall allow a fair and equal opportunity for the designated airlines of both Parties to compete in the international air transportation covered by this Agreement.

(2) Each Party shall take all appropriate action within its jurisdiction to eliminate all forms of discrimination or unfair competitive practices adversely affecting the competitive position of the airlines of the other Party.

(3) Neither Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the designated airlines of the other Party, except as may be required for customs, technical, operational or environmental reasons under uniform conditions consistent with Article 15 of the convention.

(4) Neither Party shall impose on the other Party's designated airlines a first refusal requirement, uplift ratio, no-objection fee, or any other requirement with respect to the capacity, frequency or traffic which would be inconsistent with the purposes of this Agreement.

(5) Neither Party shall require the filing of schedules, programs for charter flights, or operational plans by airlines of the other Party for approval, except as may be required on a non-discriminatory basis to enforce uniform conditions as foreseen by paragraph (3) of this Article or as may be specifically authorized in an Annex to this Agreement. If a Party requires filings for information purposes, it shall minimize the administrative burdens of filing requirements and procedures on air transportation intermediaries and on designated airlines of the other Party.

The Singaporan Minister for Communications to the American Ambassador

M/C Com. 10—5 1978 /4

MINISTER FOR COMMUNICATIONS
SINGAPORE 0409

Singapore, September 14, 1979

Excellency:

I have the honour to refer to your Note No. 617 dated 14 September 1979 proposing on behalf of your Government the acceptance, as an amendment to the US-Singapore Air Transport Agreement of 31 March 1978, of the Memorandum of Understanding signed on 2 June 1979 by representatives of the Government of the Republic of Singapore and the Government of the United States of America, and subsequently amended as referred to in your Note.

I am pleased to inform you that the Government of the Republic of Singapore accepts the amendments as aforesaid and have the honour hereby to confirm that your Note and this reply constitute an agreement between our Governments which comes into force this day.

Accept, Excellency, the renewed assurances of my highest consideration.

His Excellency
Richard F. Kneip
Ambassador of the United States
of America

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